



2011 EMS Levy Financial and Compliance Audit

King County Auditor's Office

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Law, Justice, Health and Human Services Committee

Background

- Fourth annual Emergency Medical Services audit, as mandated by Ordinance 15862.
- Voter-approved 2008 to 2013 EMS Levy provides approximately \$379 million during the six-year levy period for:
 - Advanced Life Support (ALS) services
 - Basic Life Support (BLS) services
 - Regional support services
 - Strategic initiatives

Conclusions

- Emergency Medical Services (EMS) 2011 financial operations were consistent with the Council-adopted policies and financial plans.
- The allocation of funding for Basic Life Support (BLS) agencies could be improved to increase equity.
 - We recommended that the EMS Division consider the options presented in the report to improve the equity of the BLS allocation.
- EMS Division managed programs efficiently to meet policy and program objectives as well as to carry forward significant savings for the 2014 to 2019 EMS Levy cycle.

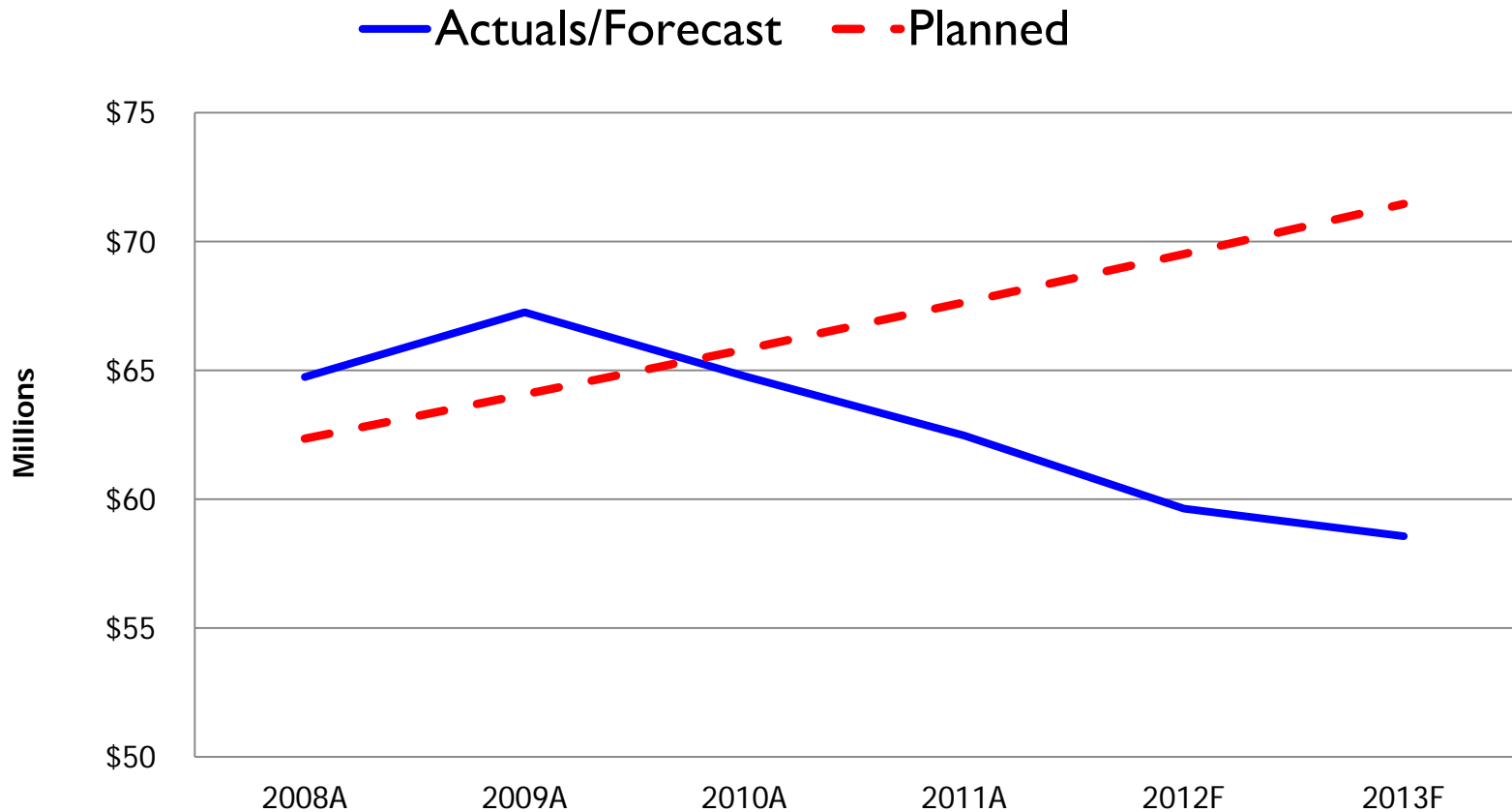
EMS Financial Operations

- EMS managed its financial activities in accordance with the 2011 council-adopted EMS Levy financial plan and policies.
- The 2011 EMS Levy ending fund balance was \$15.6 million, or 25 percent, which was substantially higher than the required ending fund balance of 6 percent of annual revenue.
- The 2011 ending reserves and designations were \$27.4 million, or \$7 million higher than planned.

Mid-Levy Review

- EMS revenues declined by \$23 million due to reduced property tax collections for 2008 to 2013 levy cycle.
- Despite lost revenues, EMS managed to fully fund ALS services and maintain BLS, Regional Support Services, and Strategic Initiatives at planned levels.
- Due to efficient management, \$21 million in program savings could be carried forward from the current levy period to the 2014 to 2019 EMS Levy period.

Planned vs. Actual EMS Revenues



BLS Funding

Overall BLS funding level is reasonable given that the primary purpose of the EMS Levy is to fund ALS.

- Cost of providing BLS service has increased largely due to greater call volume.
- Percentage of BLS costs covered by the levy has declined from 14 to 8 percent from 2004 to 2010.

BLS Funding Distribution

Methodology for distributing BLS funds could be improved to increase equity and transparency.

- Current methodology results in unequal levels of support for BLS agencies.
 - Agencies with rural-to-suburban transitional areas currently receive more funding
 - Agencies whose property assessed values have recently grown very rapidly receive less funding.

Recommendation

We recommend that by the third year of the 2014 to 2019 levy period, the EMS Division develop options for a new methodology for distributing BLS levy funds in the 2020 to 2025 levy period or sooner. The EMS Division should consider the methodology presented in this report as a starting point in that process.

Summary of Executive Response

- The County Executive concurred with the audit findings and recommendation.
- The EMS Division plans to implement the audit recommendation.

Acknowledgements

The King County Auditor's Office sincerely appreciates the cooperation received from the Emergency Medical Services (EMS) Division management and staff, the provider agencies of EMS services, and the expertise provided by Steve Miller of Miller & Miller, P.S. during the annual EMS audit.